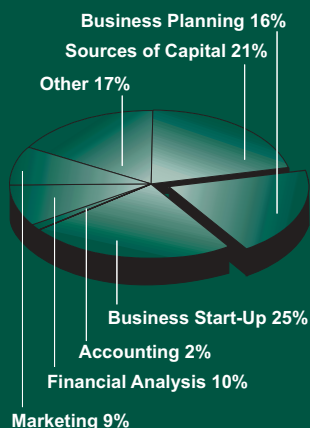


FISCAL YEAR 2001 REPORT

Small Business Development

Areas of Counseling

(based on hours)



Value Added Services

Customers Served

4,688

Counseling Hours

23,454

Training

Events

520

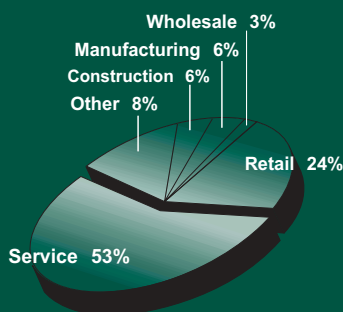
-

Attendees

6,625

Jobs

Capital Investment



The Small Business Development Division provides business counseling and training to potential and existing small businesses through a statewide network of Small Business Development Centers (SBDC). The Virginia SBDC program is a partnership between the U.S. Small Business Administration, DBA, and a host of local sponsors. In fiscal year 2001, over 4,600 clients received over 23,000 hours of counseling, and 520 training events were held on a wide variety of business issues. Their efforts helped small



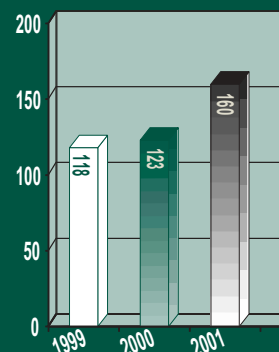
business owners create over 1,700 jobs and generate over \$100 million in capital investment in fiscal year 2001. The division also administers the Women's Business Enterprise program, which certified over 300 female-owned firms in 2001. Other accomplishments of the SBDC for 2001 included reaching a key milestone of serving over 100,000 individuals with business training and counseling services; establishing new centers in Danville and Warrenton; receiving national recognition for launching the NxLevel Entrepreneurial Training Program statewide; and providing the first Small Business Veteran of the Year Award, which was presented to Zane Showker of Weyers Cave.

Financial Services

The Financial Services Division administers the Commonwealth's business financing programs. During fiscal year 2001, \$20 million in financing was provided to 162 Virginia businesses through the programs of the Virginia Small Business Financing Authority (VSBFA), resulting in the creation or saving of 934 jobs. The staff of the Financial Services division made close to 900 contacts across the Commonwealth through group presentations, calls and meetings with business

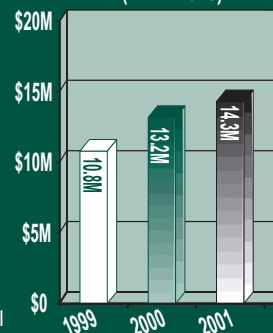
Businesses Financed

Through VSBFA Loan Programs



Financing Provided

Through VSBFA Loan Programs
(in millions)



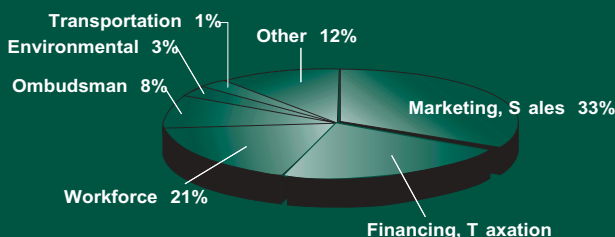
owners, economic developers, bankers and other commercial lenders and business consultants to assist them in providing, or in accessing capital for their business financing needs. Excluding Industrial Revenue Bond activity, the Financial Services division provided 160 Virginia businesses with \$14,396,905 in financing. This activity reflects a 30% growth in the number of businesses assisted and a 9% growth in the dollars accessed over last year's very strong results. Several VSBFA program enhancements were made at the recommendation of Financial Services, which increased the dollar amounts available from two of the direct loans. One of these programs provides fixed asset financing assistance for Child Day Care providers. The other assists businesses that are purchasing

or replacing equipment that provides a positive environmental impact or for those in the agricultural community that implement agricultural best management practices.

FISCAL YEAR 2001 REPORT

Existing Business Services

Existing Business Services staff visited 1,661 businesses during fiscal year 2001 in order to discover needs and identify resources that would best allow customers to take advantage of opportunities and resolve problems. The division assisted 40 expansion projects which created over 5,103 jobs and a total investment of over \$250.2 million. The division also answered 4,284 requests for assistance in fiscal year 2001, with questions regarding marketing, financing, and workforce training topping the list. Existing Business Services staff recently developed a service called Community Partnerships, through which they provide training and support for local business retention and expansion visitation programs. The Research team also prepared an overall assessment of manufacturing in Virginia, as well as 19 industry specific reports.

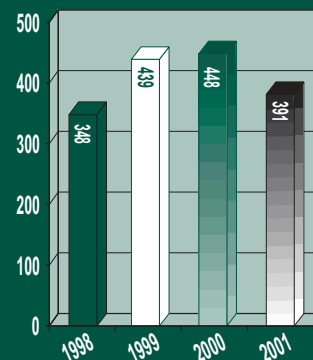


Workforce Services

Workforce Services staff assisted 391 companies during fiscal year 2001, providing training for 20,580 Virginians. The division works with new and existing companies to provide customized recruitment and training to workers at all skill levels for newly created jobs. Projects in fiscal year 2001 were located in every region of Virginia. In order to qualify for the Workforce Services program, a company must make a minimum capital investment of \$1 million and create at least 25 new jobs. The new jobs must pay a minimum of \$8/hour. In addition, the company must generate more than 50% of its revenue from outside the state of Virginia and be in competition with

at least one other state or country. Virginia received a 100% return on investment for this program from the trained worker within six months.

Companies Served



Other Agency Activities

Online Business Information Center

Located at www.dba.state.va.us, DBA's new web site is designed to be the one-stop business resource for Virginia businesses. The web site features information on small business counseling, financing, and workforce development. In addition to updated and more detailed information on DBA's programs and services, the new site offers a wealth of resources to new and expanding businesses in the Resource Center, a step-by-step guide to starting your business in the Business Launch Pad, and a comprehensive Calendar of Events for business leaders and the economic development community. The site also contains the Virginia License & Permit Guide, which provides information on licensing and regulatory requirements for both establishing and operating a business. The site was designed by DBA and developed by AmericanEagle.com, an Alexandria-based web development firm.

Business Appreciation Week

Business Appreciation Week, coordinated each year by the Virginia Department of Business Assistance, is an opportunity for the Commonwealth to thank Virginia businesses for their invaluable contribution to the vibrant economy and excellent quality of life in the Commonwealth. The theme "Setting the Prosperity Standard" was chosen in recognition of the fact that Virginia businesses continue to raise the bar by creating unprecedented numbers of jobs and investments and record-breaking employment levels. The purpose of the week is to recognize the many companies that continue to do business in Virginia year after year. Over 100 cities and counties across the state held recognition activities. The Governor's Business Appreciation Breakfast kicked off the week-long statewide celebration, with over 300 in attendance.

Small Business Incubator Program

At the direction of the Governor and the Virginia General Assembly, the Virginia Department of Business Assistance has developed the Virginia Small Business Incubator Program and is providing grants to local and regional non-profit groups to establish and operate small business incubators. The program offers grants, awarded on a competitive basis, to be used for feasibility studies, program support, or construction and renovation. The program is the result of a 1997 study conducted by the Department of Business Assistance, and funding was first provided by the 1998 General Assembly. During fiscal year 2001, DBA awarded grants to 11 different organizations for almost \$1 million to allow these local groups to get their programs under way. Since the beginning of the program in 1998, the Department has awarded \$2.7 million to 40 projects all across Virginia.

Virginia Economic Development Seminars

Quarterly seminars were held to promote awareness in the business and economic development community of the latest trends, and public and private resources available. Each seminar focused on a particular topic, including alternative workforce resources, biosciences, existing business development, and electricity deregulation. With an average of over 200 participants, these half-day conferences continue to be an important venue for exchanging ideas and networking.



For more information, contact the **Virginia Department of Business Assistance**
707 East Main Street, Suite 300 • Post Office Box 446
Richmond, Virginia 23218-0446
Tel: (804) 371-8200 • Fax: (804) 371-8111
Visit our Web site: www.dba.state.va.us

